



Billing Code: 8025-01

## SMALL BUSINESS ADMINISTRATION

### Women-Owned Small Business Federal Contract Program; Identification of Eligible Industries

AGENCY: Small Business Administration.

ACTION: Notice.

SUMMARY: In order to carry out the Women-Owned Small Business Federal Contract Program (WOSB Program), the U.S. Small Business Administration (SBA) was required by section 825 of the National Defense Authorization Act of 2015 to conduct a new study identifying the industries in which women-owned small businesses are underrepresented in Federal contracting and to report to Congress on the results of that study by January 2, 2016. In accordance with this statutory mandate, SBA has provided this report to Congress and with this notice, notifies the public of the results of this study and identifies the industries designated by SBA as eligible for the WOSB Program.

DATES: This notice is effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]. The designations of industries contained in this notice apply to all solicitations issued on or after the effective date.

FOR FURTHER INFORMATION CONTACT: Mr. Leo Sanchez, Office of Government Contracting, U.S. Small Business Administration, 409 Third Street, SW, Washington, DC 20416; (202) 619-1658; [wosb@sba.gov](mailto:wosb@sba.gov).

### SUPPLEMENTARY INFORMATION:

#### I. Background

Under section 8(m) of the Small Business Act, 15 U.S.C. 637(m), SBA is responsible for implementing and administering the WOSB Program, which went into effect on February 4, 2011. The purpose of the WOSB Program is to ensure that women-owned small businesses (WOSBs) have an equal opportunity to participate in Federal contracting and to help attain the Federal government's goal of awarding five percent of its prime contract dollars to WOSBs. The WOSB Program authorizes Federal contracting officers to restrict competition for an acquisition to WOSBs if there is a reasonable expectation that at least two WOSBs will submit offers that meet the requirements of the acquisition at a fair and reasonable price and if the acquisition is for a good or service assigned a North American Industry Classification System (NAICS) code in which SBA has determined that WOSBs are "substantially underrepresented." The WOSB Program also authorizes contracting officers to award a sole source contract assigned such a NAICS code to a WOSB if only one WOSB can be identified that can perform the contract at a fair and reasonable price. In addition, Economically Disadvantaged Women-Owned Small Businesses (EDWOSBs) can likewise receive set-asides and sole source awards similar to those described above for WOSBs, and in a larger set of industries where SBA has determined that WOSBs are "underrepresented" but not substantially so.

In order to identify the industries eligible for set-asides under the WOSB Program, the Small Business Act required the SBA Administrator to conduct a study to identify those industries in which small business concerns owned and controlled by women are underrepresented in Federal contracting. 15 U.S.C. 637(m)(4). SBA awarded a contract to the Kauffman-RAND Institute for Entrepreneurship Public Policy (RAND) to complete a study of the underrepresentation of WOSBs in Federal prime contracts by

industry code. RAND published the study in April 2007.<sup>1</sup> Prior to the effective date of this notice, SBA used the results of the RAND study to designate 83 four-digit NAICS industry groups as either underrepresented or substantially underrepresented by WOSBs. SBA published the designated NAICS codes on the WOSB Program's webpage on SBA's website, at [www.sba.gov/wosb](http://www.sba.gov/wosb).

In 2014, Congress amended the Small Business Act to require SBA to submit a report to Congress reflecting the results of a new study by January 2, 2016, and then continue to conduct a new study every five years. Public Law 113-291 825(c) (Dec. 19, 2014). In response to this statutory mandate, SBA asked the Office of the Chief Economist (OCE) of the U.S. Department of Commerce for assistance in conducting a new study on the WOSB Program, which would analyze data to help SBA determine those NAICS codes in which WOSBs are underrepresented and substantially underrepresented in Federal contracting. OCE looked at whether, holding constant various factors that might influence the award of a contract, the odds of winning Federal prime contracts by firms that were owned by women were greater or less than the odds of winning contracts by otherwise similar businesses.

## II. Overview of Study and Results

In its analysis, OCE controlled for the size and age of the firm; its membership in various categories of firms for which the Federal government has government-wide prime contracting goals; its legal form of organization; its level of government security clearance; and its Federal prime contracting past performance ratings. OCE also looked at

---

<sup>1</sup> The RAND study is available to the public at [http://www.RAND.org/pubs/technical\\_reports/TR442](http://www.RAND.org/pubs/technical_reports/TR442).

whether women-owned businesses typically have significantly different experiences in winning contracts depending on their industry. OCE performed this analysis at the four-digit NAICS industry group level. OCE included each firm in its sample in an industry analysis if the firm had registered as being able to perform work in that industry or if the firm had won a contract assigned to that industry.

OCE found that women-owned businesses were less likely to win Federal contracts in 254 of the 304 industries included in the study.

In 109 out of the 304 industries, OCE found that women-owned businesses have statistically significant lower odds of winning Federal contracts than otherwise similar non-women-owned businesses at the 95% confidence level. SBA has determined that the finding by OCE of a statistically significant lower likelihood of winning contracts demonstrates that WOSBs are substantially underrepresented in these 109 NAICS codes. However, of these industries, 17 are in sectors 42 and 44-45, which are not applicable to Federal contracts under SBA's regulations. 13 CFR 121.201. These 17 industry group NAICS codes are set forth in Table 1, Industries Part of Sectors 42 and 44-45, Not Applicable to Federal Contracts Under SBA Regulations.

Table 1: Industries Part of Sectors 42 and 44-45, Not Applicable to Federal Contracts Under SBA Regulations	
NAICS code	NAICS U.S. industry title
4231	Motor Vehicle and Motor Vehicle Parts and Supplies Merchant Wholesalers
4233	Lumber and Other Construction Materials Merchant Wholesalers
4234	Professional and Commercial Equipment and Supplies Merchant Wholesalers
4237	Hardware, and Plumbing and Heating Equipment and Supplies Merchant Wholesalers
4238	Machinery, Equipment, and Supplies Merchant Wholesalers
4239	Miscellaneous Durable Goods Merchant Wholesalers

4242	Drugs and Druggists' Sundries Merchant Wholesalers
4246	Chemical and Allied Products Merchant Wholesalers
4249	Miscellaneous Nondurable Goods Merchant Wholesalers
4251	Wholesale Electronic Markets and Agents and Brokers
4411	Automobile Dealers
4421	Furniture Stores
4422	Home Furnishings Stores
4441	Building Material and Supplies Dealers
4442	Lawn and Garden Equipment and Supplies Stores
4512	Book, Periodical, and Music Stores
4543	Direct Selling Establishments

Since the industry groups above cannot be used to classify Federal contracts, SBA has excluded them from the list of industries designated as substantially underrepresented.

In addition, OCE found that in 145 out of the 304 industries, the odds of women-owned businesses winning contracts were lower than those of otherwise similar non-women-owned businesses, but there was not a statistically significant difference between the odds of winning for the two groups. Although there was not a finding of statistical significance for these industries, 21 of them were previously found by the RAND study to be industries in which WOSBs are underrepresented or substantially underrepresented. Thus, SBA has information showing historical underrepresentation of women-owned businesses in these 21 industries, which is consistent with the OCE finding that women-owned businesses are less likely to win contracts. As a result, SBA finds that it possesses sufficient data to determine that WOSBs are underrepresented in these 21 industries. SBA also believes that this decision fulfills the intent of the Small Business Act, which demonstrates the intent that the designations of eligible industries be based on at least five years of data.

The full OCE study is available on SBA's website at [www.sba.gov/wosb](http://www.sba.gov/wosb).

### III. Eligible Industries

Based on the above, SBA finds a total of 113 industry groups eligible for Federal contracting under the WOSB Program. This includes 21 4-digit NAICS industry groups in which WOSBs are underrepresented (meaning contracting officers can make EDWOSB set-aside and sole source awards in these industries) and 92 4-digit NAICS industry groups in which WOSBs are substantially underrepresented (meaning contracting officers can make WOSB set-aside and sole source awards in these industries). EDWOSB concerns are eligible to be considered for both WOSB and EDWOSB set-aside and sole source awards for the 113 NAICS industry groups.

The 21 NAICS codes in which WOSBs are underrepresented are set forth in Table 2, NAICS Codes in which WOSBs are Underrepresented.

Table 2: NAICS Codes in which WOSBs are Underrepresented	
NAICS code	NAICS U.S. industry title
3152	Cut and Sew Apparel Manufacturing
3219	Other Wood Product Manufacturing
3259	Other Chemical Product and Preparation Manufacturing
3333	Commercial and Service Industry Machinery Manufacturing
3342	Communications Equipment Manufacturing
3353	Electrical Equipment Manufacturing
3359	Other Electrical Equipment and Component Manufacturing
3372	Office Furniture (including Fixtures) Manufacturing
4841	General Freight Trucking
4885	Freight Transportation Arrangement
4889	Other Support Activities for Transportation
5171	Wired Telecommunications Carriers
5311	Lessors of Real Estate
5414	Specialized Design Services
5611	Office Administrative Services
5614	Business Support Services
5621	Waste Collection
6115	Technical and Trade Schools
6243	Vocational Rehabilitation Services
7223	Special Food Services
8114	Personal and Household Goods Repair and Maintenance

The 92 NAICS codes in which WOSBs are substantially underrepresented are set forth in Table 3, NAICS Codes in which WOSBs are Substantially Underrepresented.

Table 3: NAICS Codes in which WOSBs are Substantially Underrepresented	
NAICS code	NAICS U.S. industry title
1153	Support Activities for Forestry
2213	Water, Sewage and Other Systems
2361	Residential Building Construction
2362	Nonresidential Building Construction
2371	Utility System Construction
2373	Highway, Street, and Bridge Construction
2379	Other Heavy and Civil Engineering Construction
2381	Foundation, Structure, and Building Exterior Contractors
2382	Building Equipment Contractors
2383	Building Finishing Contractors
2389	Other Specialty Trade Contractors
3114	Fruit and Vegetable Preserving and Specialty Food Manufacturing
3118	Bakeries and Tortilla Manufacturing
3141	Textile Furnishings Mills
3149	Other Textile Product Mills
3231	Printing and Related Support Activities
3241	Petroleum and Coal Products Manufacturing
3323	Architectural and Structural Metals Manufacturing
3324	Boiler, Tank, and Shipping Container Manufacturing
3325	Hardware Manufacturing
3328	Coating, Engraving, Heat Treating, and Allied Activities
3329	Other Fabricated Metal Product Manufacturing
3331	Agriculture, Construction, and Mining Machinery Manufacturing
3334	Ventilation, Heating, Air-Conditioning, and Commercial Refrigeration Equipment Manufacturing
3335	Metalworking Machinery Manufacturing
3339	Other General Purpose Machinery Manufacturing
3345	Navigational, Measuring, Electromedical, and Control Instruments Manufacturing
3346	Manufacturing and Reproducing Magnetic and Optical Media
3363	Motor Vehicle Parts Manufacturing
3369	Other Transportation Equipment Manufacturing
3371	Household and Institutional Furniture and Kitchen Cabinet Manufacturing
3391	Medical Equipment and Supplies Manufacturing
3399	Other Miscellaneous Manufacturing

4831	Deep Sea, Coastal, and Great Lakes Water Transportation
4842	Specialized Freight Trucking
4884	Support Activities for Road Transportation
4931	Warehousing and Storage
5111	Newspaper, Periodical, Book, and Directory Publishers
5112	Software Publishers
5121	Motion Picture and Video Industries
5122	Sound Recording Industries
5151	Radio and Television Broadcasting
5172	Wireless Telecommunications Carriers (except Satellite)
5174	Satellite Telecommunications
5179	Other Telecommunications
5182	Data Processing, Hosting, and Related Services
5191	Other Information Services
5241	Insurance Carriers
5242	Agencies, Brokerages, and Other Insurance Related Activities
5321	Automotive Equipment Rental and Leasing
5324	Commercial and Industrial Machinery and Equipment Rental and Leasing
5411	Legal Services
5412	Accounting, Tax Preparation, Bookkeeping, and Payroll Services
5413	Architectural, Engineering, and Related Services
5415	Computer Systems Design and Related Services
5416	Management, Scientific, and Technical Consulting Services
5417	Scientific Research and Development Services
5418	Advertising, Public Relations, and Related Services
5419	Other Professional, Scientific, and Technical Services
5612	Facilities Support Services
5615	Travel Arrangement and Reservation Services
5616	Investigation and Security Services
5617	Services to Buildings and Dwellings
5619	Other Support Services
5622	Waste Treatment and Disposal
5629	Remediation and Other Waste Management Services
6113	Colleges, Universities, and Professional Schools
6114	Business Schools and Computer and Management Training
6116	Other Schools and Instruction
6117	Educational Support Services
6211	Offices of Physicians
6214	Outpatient Care Centers
6215	Medical and Diagnostic Laboratories
6219	Other Ambulatory Health Care Services
6221	General Medical and Surgical Hospitals



6231	Nursing Care Facilities
6242	Community Food and Housing, and Emergency and Other Relief Services
7112	Spectator Sports
7113	Promoters of Performing Arts, Sports, and Similar Events
7114	Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures
7115	Independent Artists, Writers, and Performers
7211	Traveler Accommodation
7212	RV (Recreational Vehicle) Parks and Recreational Camps
7225	Restaurants and Other Eating Places
8111	Automotive Repair and Maintenance
8112	Electronic and Precision Equipment Repair and Maintenance
8113	Commercial and Industrial Machinery and Equipment (except Automotive and Electronic) Repair and Maintenance
8121	Personal Care Services
8123	Drycleaning and Laundry Services
8129	Other Personal Services
8131	Religious Organizations
8139	Business, Professional, Labor, Political, and Similar Organizations

SBA has posted the list of designated NAICS codes on its website at [www.sba.gov/wosb](http://www.sba.gov/wosb) and they are effective as set forth in this notice.

Dated: February 29, 2016.

A. John Shoraka,  
Associate Administrator,  
Government Contracting and Business Development.  
[FR Doc. 2016-04762 Filed: 3/2/2016 8:45 am; Publication Date: 3/3/2016]